

I WOULD LIKE TO BEGIN BY SAYING HOW PLEASED I AM AT THE RESPONSE TO THE IDEA OF THIS CONFERENCE. THE PRESENCE HERE TODAY OF SO MANY NORTHERNERS, FROM ALL OVER THE NORTHWEST TERRITORIES UNDERLINES THE IMPORTANCE OF THE CONFERENCE AND ALSO THAT NORTHERN VIEWPOINTS ARE GOING TO BE EXPRESSED.

PRINCIPLES

THIS IS IMPORTANT BECAUSE AS I SAID IN MY ADDRESS TO THE NORTHWEST TERRITORIES COUNCIL IN JANUARY, I BELIEVE THAT THE MAJOR PRINCIPLE OF NORTHERN ECONOMIC DEVELOPMENT SHOULD BE "DEVELOPMENT FOR THE NORTH, AND NOT JUST OF THE NORTH." THIS MEANS THAT PRIORITY SHOULD BE GIVEN TO THOSE ECONOMIC ACTIVITIES WHICH ARE CAPABLE OF MAKING DIRECT AND ONGOING CONTRIBUTIONS TO NORTHERN RESIDENTS. IN MY VIEW, THIS WILL RESULT IN A BETTER BALANCED ECONOMY. IN THE SAME ADDRESS I OUTLINED 5 CRITERIA FOR ECONOMIC DEVELOPMENT TO SERVE AS A GUIDE FOR PUBLIC AND PRIVATE DEVELOPERS.

NOTES FOR A SPEECH

BY THE

HONOURABLE J. HUGH FAULKNER

MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

FOR THE

CONFERENCE ON ECONOMIC PROSPECTS IN THE

NORTHWEST TERRITORIES

HAY RIVER, N.W.T.

MAY 4 - 6

BRIEFLY, THESE ARE:

FIRSTLY, ECONOMIC DEVELOPMENT SHOULD TAKE THE REAL NEEDS OF NORTHERNERS FULLY INTO ACCOUNT. IT MUST THEREFORE BE CONSISTENT WITH THE FACT OF A YOUNG AND MAJORITY NATIVE POPULATION WHICH LIVES MAINLY IN SMALL ISOLATED COMMUNITIES. IT MUST BE DESIGNED TO PROMOTE THE CONTINUED ECONOMIC AND SOCIAL VIABILITY OF THESE COMMUNITIES.

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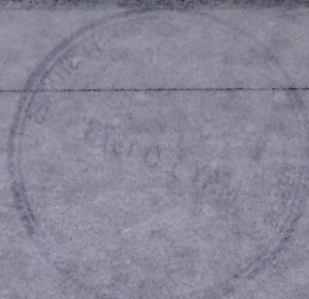
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SECONDLY, FOR THE NUMBER OF YOUNG PEOPLE NOW ENTERING THE LABOUR FORCE, AND EVEN MORE IMPORTANTLY FOR THE LARGE EXISTING LABOUR FORCE, OPPORTUNITIES FOR EMPLOYMENT MUST BE GENERATED WHICH DO NOT EXCLUDE THEIR CONTINUING PARTICIPATION IN TRADITIONAL PURSUITS. THE CHOICE SHOULD NOT HAVE TO BE EITHER/OR - MODERN OR TRADITIONAL.

THIRDLY, ECONOMIC DEVELOPMENT MUST BE DIVERSIFIED AND DISPERSED. A BETTER BALANCE OF ECONOMIC ACTIVITIES WILL REDUCE THE CURRENT DEPENDENCY ON MAJOR PROJECTS AND ONE OR TWO ECONOMIC SECTORS.

FOURTHLY, I WOULD INCLUDE THE PROMOTION AND STRENGTHENING OF NORTHERN BASED PRIVATE ENTERPRISE, AND NOT JUST LARGE COMPANIES, BUT SMALL BUSINESSES AND COOPERATIVES AS WELL AS THE HUNTER, TRAPPER AND FISHERMAN.

FIFTHLY, THERE IS THE NEED TO PRESERVE AND PROTECT THE ENVIRONMENT BY ENCOURAGING ADVANCED CONSERVATION PRACTICES.

PURPOSE

I WOULD HOPE THAT A MAJOR PURPOSE OF THIS CONFERENCE WOULD BE TO DISCUSS THE PRINCIPLES I HAVE JUST OUTLINED. IN THIS REGARD, NOT ONLY DO I WANT YOUR VIEWS ON THE PRINCIPLES AND CRITERIA I OUTLINED EARLIER, I ALSO WANT YOUR IDEAS ON THE STRATEGIES WHICH MUST BE DEVELOPED TO PROCEED WITH BALANCED DEVELOPMENT FOR THE NORTH.

AS YOU KNOW, THERE ARE MANY DIFFERENT POINTS OF VIEW REPRESENTED AT THIS CONFERENCE. IN MY NORTHERN TRAVELS I HAVE RECOGNIZED THESE DIVERSE PERSPECTIVES. ACCORDINGLY, ONE OF MY REASONS FOR ORGANIZING THIS CONFERENCE WAS TO PROVIDE A FORUM FOR BETTER UNDERSTANDING AND APPRECIATION OF EACH OTHERS POINT OF VIEW. IN THIS RESPECT, PERHAPS THE MOST POSITIVE RESULT OF THE CONFERENCE WOULD BE THE DEVELOPMENT OF A GREATER SENSE OF COLLECTIVE PURPOSE IN TERMS OF ECONOMIC DEVELOPMENT. I URGE YOU ALL TO MAKE THIS COMMITMENT WHILE YOU ARE HERE.

SOME REALITIES

THERE WILL BE SOME CONSTRAINTS TO OUR EFFORTS AT IMPROVING THE N.W.T. ECONOMY IN THE SHORT TERM. THE GOVERNMENT IS OPERATING IN A CLIMATE OF FISCAL RESTRAINT WHICH IS LIKELY TO CONTINUE FOR SOME TIME TO COME. THUS I CAN HOLD OUT NO EARLY EXPECTATION FOR A SIGNIFICANT INCREASE IN GOVERNMENT FINANCED PROJECTS TO RESOLVE NORTHERN ECONOMIC PROBLEMS. NOR DO I THINK THAT THIS IS THE SORT OF ANSWER NORTHERNERS ARE LOOKING FOR. I PERCEIVE A SERIOUS DESIRE OF NORTHERNERS TO BECOME MORE SELF-RELIANT IN THE ECONOMIC SENSE JUST AS SELF-RELIANCE IS A TRADITIONAL AND PERVASIVE QUALITY OF NORTHERN LIFESTYLES, FOR BOTH NATIVES AND WHITES.

IN ADDITION, SETTLEMENT OF LAND CLAIMS IS NOT PROCEEDING QUICKLY - WHICH IS A DISAPPOINTMENT TO ALL OF US INVOLVED. I CONTINUE TO BELIEVE THAT EARLY RESOLUTION OF NATIVE CLAIMS IS ESSENTIAL TO THE FULL AND EFFECTIVE

PARTICIPATION OF NATIVE PEOPLE IN THE DECISIONS THAT LIE AHEAD. IT IS ALSO MY VIEW THAT CLAIMS SETTLEMENTS WILL PROVIDE LASTING BENEFITS TO ALL NORTHERNERS. THAT BEING SAID, UNTIL THERE ARE SETTLEMENTS, DEVELOPMENT MUST PROCEED, ALBEIT AT A NATURE AND PACE WHICH IS CONSISTENT WITH THE VALID CONCERNS NATIVE PEOPLE ARE EXPRESSING IN THEIR LAND CLAIMS.

A MAJOR REALITY WE MUST ALL COME TO GRIPS WITH IS THE LACK OF SYSTEMATIC ATTENTION TO RENEWABLE RESOURCES - IN RESPECT OF BOTH OUR KNOWLEDGE AND INFORMATION BASE AND ALSO THE LACK OF SPECIFIC POLICIES AND PROGRAMS TO CAPITALIZE ON RENEWABLE RESOURCE SITUATIONS. AS JUST ONE EXAMPLE, THE RECENT DECLINE IN SEAL PRICES HAS FOUND US LACKING NOT ONLY A MARKETING STRATEGY BUT ALSO WITHOUT PRICE SUPPORT MECHANISMS. THE DEVELOPMENT OF THIS STRATEGY HAS BECOME A MATTER OF GREAT URGENCY FOR BOTH MY DEPARTMENT AND THE GOVERNMENT OF THE NORTHWEST TERRITORIES.

SOME DEVELOPMENT

ON THE OTHER HAND, CERTAIN FEDERAL GOVERNMENT DECISIONS OF THE LAST SIX MONTHS SHOULD SIGNIFICANTLY ASSIST THE N.W.T. ECONOMY IN THE COMING YEAR. ON THE BASIS OF THE REPORTS OF THE TECHNICAL, ENVIRONMENTAL AND SOCIO-ECONOMIC REVIEW COMMITTEES, I AM PLEASED TO ANNOUNCE THAT THE GOVERNMENT HAS APPROVED AN EARLY START TO DRILLING IN THE BEAUFORT SEA AND SOME EXTENSION OF THE SEASON IN THE FALL UNDER LOW RISK CONDITIONS. THIS DECISION WILL EXTEND AS WELL THE EMPLOYMENT AND BUSINESS OPPORTUNITIES

FOR COMMUNITIES AROUND THE BEAUFORT SEA. IN ADDITION, I HAVE JUST APPROVED A \$150 MILLION, 4 YEAR PROGRAM OF LAND AND SHALLOW WATER DRILLING BY IMPERIAL OIL LIMITED IN THE MACKENZIE DELTA/BEAUFORT SEA AREA. THE INCREASE IN LAND BASED ACTIVITY RESULTING FROM THIS PROGRAM SHOULD IMPROVE THE ECONOMY OF THE MACKENZIE DELTA STILL SUFFERING FROM CUT BACKS IN EXPLORATION ACTIVITIES DURING THE PAST FEW YEARS.

COINCIDENT WITH THIS APPROVAL WILL BE THE RELINQUISHMENT OF SOME 3 MILLION ACRES OF IMPERIAL OIL HOLDINGS IN AREAS SENSITIVE TO THE COPE LAND CLAIMS. AS FURTHER ENCOURAGEMENT TO LAND CLAIMS I AM DEFERRING FOR ONE YEAR THE GRANTING OF NEW OIL AND GAS PERMITS IN THE MACKENZIE VALLEY AND DELTA. IN THESE DECISIONS, I AM STRIVING FOR BALANCE, DEVELOPMENT NEEDS ON THE ONE HAND AND THE SENSITIVITIES OF LAND CLAIM NEGOTIATIONS ON THE OTHER.

SIMILARLY, IN THE BAKER LAKE AREA, MINERAL EXPLORATION WILL RESUME BUT UNDER A LAND USE REGIME DESIGNED TO PROTECT CARIBOU AND OTHER WILDLIFE ESSENTIAL TO THE ECONOMIC AND CULTURAL NEEDS OF THE PEOPLE OF BAKER LAKE.

IN THIS AREA STUDIES CARRIED OUT FOR MY DEPARTMENT HAVE INDICATED THAT THE VALUE OF CARIBOU AND OTHER WILDLIFE REPRESENTS BETWEEN 45 AND 55 PERCENT OF EARNED INCOME, OR ROUGHLY \$6400 PER FAMILY IN THE AREA. OBVIOUSLY PROTECTION OF THIS IMPORTANT RESOURCE MUST HAVE PRIORITY - WHILE AT THE SAME TIME, IMPORTANT MINERAL EXPLORATION, WITH EMPLOYMENT POTENTIAL AND

POSSIBLE CONTRIBUTION TO CANADA'S ENERGY NEEDS, MUST ALSO CONTINUE.

EACH OF THESE SITUATIONS HAS IN COMMON THE NEED FOR BALANCE AND A SENSITIVITY TO LOCAL NEEDS AND CONCERNS. IN THE SAME WAY, THE LIARD HIGHWAY PROJECT I ANNOUNCED SEVERAL MONTHS AGO, IN ADDITION TO SHORT TERM ECONOMIC BENEFITS, WILL EVENTUALLY BE THE BASE FOR LONGER TERM ECONOMIC DEVELOPMENT. AS A START TOWARDS INVOLVING LOCAL PEOPLE IN DETERMINING THAT DEVELOPMENT (WHICH I REGARD AS ESSENTIAL) THE HIRE NORTH COMMITTEE HAS BEEN REORGANIZED SO THAT COMMUNITY DELEGATES ARE IN THE MAJORITY.

A MORE RECENT GOVERNMENT DECISION, WHICH I AM PLEASED TO ANNOUNCE TODAY, CONCERNS THE HIGH COST OF ELECTRICITY IN THE NORTH, PARTICULARLY IN THE DIESEL COMMUNITIES. I REALIZE THAT THIS HAS BEEN A LONGSTANDING ISSUE FOR SOME TIME. ON PREVIOUS OCCASIONS, I HAVE STATED THAT I WOULD TAKE A PACKAGE OF PROPOSALS TO MY CABINET COLLEAGUES FOR THEIR CONSIDERATION. I HAVE DONE THAT.

AS A RESULT, I CAN ANNOUNCE TODAY THAT THE GOVERNMENT WILL FINANCIALLY ASSIST THE NORTHERN CANADA POWER COMMISSION WITH A CASH INFUSION OF \$7.5 MILLION. IN ADDITION, THE GOVERNMENT HAS ASKED NCPC TO SUBMIT PLANS FOR FUTURE POWER DEVELOPMENT AND A REQUEST FOR FUNDS TO UNDERTAKE THE NECESSARY STUDIES.

MOST IMPORTANTLY, THE GOVERNMENT HAS APPROVED A SUBSIDY FOR NON-GOVERNMENT DOMESTIC CONSUMERS OF ELECTRICITY IN DIESEL COMMUNITIES. ✓
THE SUBSIDY WHICH WILL COST IN THE AREA OF 1.8 MILLION DOLLARS ANNUALLY WILL EQUALIZE COSTS BETWEEN DIESEL AND HYDRO COMMUNITIES IN EACH TERRITORY UP TO 8,500 KWH ANNUALLY. THE PRACTICAL EFFECT OF THIS FEDERAL SUBSIDY WILL BE TO REDUCE CURRENT ELECTRICITY COSTS IN DIESEL POWERED COMMUNITIES SUCH AS FORT SIMPSON AND INUVIK. SAVINGS TO THE CONSUMER SHOULD AMOUNT TO SEVERAL HUNDRED DOLLARS ANNUALLY. THIS APPROACH IS ENTIRELY COMPATIBLE WITH MY CONCERN TO STRENGTHEN THE VIABILITY OF THE SMALLER COMMUNITIES OF THE NORTH.

AS WELL, KEEPING IN MIND, THE NEED FOR DEVELOPMENT TO BE MORE RESPONSIVE TO LOCAL NEEDS, I HAVE INSTRUCTED OFFICIALS OF MY DEPARTMENT AND NCPC TO UNDERTAKE A FEASIBILITY STUDY ON THE POSSIBILITY OF ESTABLISHING THE HEADQUARTERS OF NCPC WITHIN THE NORTH. ✓

THERE WILL OF COURSE BE OTHER FEDERAL GOVERNMENT FINANCED PROJECTS IN 1978 TO BOOST THE ECONOMY - SUCH AS ROAD RECONSTRUCTION AT FORT SMITH AND HAY RIVER, AND THE FORT SMITH AND FROBISHER BAY HOSPITALS BUT THESE ARE PROJECTS TO MEET SPECIFIC NEEDS AND ARE NOT IN THEMSELVES AN ECONOMIC STRATEGY.

THE GOVERNMENT'S DECISIONS I OUTLINED EARLIER DO REPRESENT A MODEST BEGINNING OF A STRATEGY OF BALANCED DEVELOPMENT AND ARE INDICATIVE OF THE CHALLENGE WE ALL FACE IN PLANNING NORTHERN ECONOMIC DEVELOPMENT. I AM LOOKING FORWARD TO YOUR VIEWS AT THIS CONFERENCE ON HOW BEST TO MEET THIS CHALLENGE.

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